An Examination of Business Diversity in Urban Centers

Introduction

The purpose of this project is to better understand what shapes the mix of businesses in a modern “urban village” and whether or not it is possible to expect a diversity of goods and services found in traditional urban settings.

The term “modern (or new) urban village” refers to a mixed use real-estate development which contains a mix of residential, commercial, office and retail uses in a high density cluster of buildings with a walk-able street network and, ideally, transit connections within and to points outside of the village. These broad characterizations reflect what many consider to be hallmarks of a traditional urban setting found in older cities in the US and abroad. This paper seeks to make a brief examination of the commercial and business aspect of new urban villages. Specifically, how does the mix of businesses of a modern urban village compare to that of a “mature” neighborhood or central business district.

According to the Charter of the New Urbanism “Many activities of daily living should occur within walking distance, allowing independence to those who do not drive, especially the elderly and the young. Interconnected networks of streets should be designed to encourage walking, reduce the number and length of automobile trips, and conserve energy” (Congress for the New Urbanism, 2010.) We can consider these daily activities to be things such as school and employment, but also shopping for groceries and clothing, eating at cafes and restaurants, and a wide assortment of other retail and commercial activities. Additionally, the Charter of the New
Urbanism states that “a broad range of housing types and price levels can bring people of diverse ages, races, and incomes into daily interaction, strengthening the personal and civic bonds essential to an authentic community” (Congress for the New Urbanism, 2010). What we can derive from these two tenets of the charter is that providing all of the activities of living to a population which is diverse socioeconomically and ethnically, requires a mix of businesses and services which are equally diverse. While mature neighborhoods and central business districts have developed over decades, sometimes centuries, most new urban villages are large scale developments which hope to achieve success within a few short years. In the following pages, I will examine both a traditional neighborhood, Davis Square in Somerville, Massachusetts, and a new urban village development, Station Landing in Medford, MA and examine the differences in the local business mix of each.

**Methodology**

For this analysis, I used two research methods, photographic analysis and primary source interviews. Photographs were used to analyze the physical attributes of storefronts and streetscapes of the research subjects. Photographs were also used to visually show the mix of businesses and any specific types of businesses that are either overwhelmingly present or rare. Gaber and Gaber provide guidance on using photographs for qualitative analysis. These include developing visual variables, a shooting guide and composing the photograph itself (Gaber and Gaber, 2007).

The visual variables developed for this study were the following:

- Age of the structure
- Other uses besides retail/commercial
- Width of the storefronts
- The prevalence of “chain” retail vs. “mom and pop” stores.

These visual variables are used as a means to represent the diversity of not only the businesses themselves, but also structures which are available for lease. The age and condition of a structure will have a direct bearing on its lease value, and the width and style of storefronts impacts a property’s availability for a diversity of uses. The prevalence of chain vs. mom and pop stores was used as a dependent variable to represent one aspect of the diversity of goods and services provided in each downtown setting.

A primary source interview was also conducted to better understand the dynamics which are at play in bringing commercial and retail activities to urban centers. This interview was part factual and part narrative interview as described by Kvale where the subject provided a story-line of the typical urban village development process and also factual information about the relationships between developers and retailers. Observations noted during the photographic analysis were used to refine the interview questions. The interview lasted roughly 25 minutes and followed methods described by Kvale including identifying an appropriate subject based on their knowledge and experience, and developing a question format which utilizes introductory, follow-up, probing, and specifying questions (Kvale, 2007).

**Case Studies**

**Davis Square – Somerville, MA**

Davis Square is a small urban center located in the city of Somerville, MA. Somerville itself is an inner ring suburb of Boston, and the most densely populated city in the commonwealth. Davis Square lies in the northwest corner of the city approximately four miles
from downtown Boston, and two miles from downtown Cambridge. Somerville developed as a “streetcar suburb” beginning in the 1880s. Davis Square lies at the junction of local thoroughfares leading to Cambridge, Medford, and eastern portions of Somerville and at one time was a stop on a branch railroad route running between the Fresh Pond area of Cambridge and Somerville Junction near Magoun Square in Somerville. This corridor now carries a community bike path and a portion of the MBTA’s Red Line. Davis Square was a transit-oriented development a century before the adoption of the term by planners. Like many other urban centers of this era, it underwent a decline between the 1950s and 1970’s, but has since undergone a vast transformation back to a vibrant residential community and commercial center, in part as a result of the extension of the Red Line in the 1980s which included a stop at Davis Square.

Figures 1-4 are examples of photographs used in the analysis of the business mix in Davis Square. When analyzed using the visual variables of building age, diversity of uses, storefront width, and chain vs. mom-and-pop establishments, we can make several characterizations. We first note that the age of the buildings appears to vary widely. In Figures 1 and 2, we see examples of some of the oldest buildings in the square, likely dating to the late 19th century. In Figure 3 we begin to see more modern architecture dating from the mid-twentieth century, and finally in Figure 4, we see a brand new structure constructed late during the previous decade. Indeed, the age of buildings in Davis Square spans nearly its entire history as an urban center. Drawing a relationship between the age of the structures...
and the retail tenants, it quickly becomes apparent that the smaller independent “mom-and-pop”
style businesses reside primarily in older structures. With only a few exceptions, chain retailers do not occupy the older buildings. Conversely, the tenants in the newest buildings are exclusively chain retailers. The building in Figure 4, the newest development in Davis Square, houses a CVS and Boston Sports Club, both national chains, and no independent retailers.

Another notable, yet unexpected aspect about the Davis Square business areas shown in the photos is the mix of uses. Despite the general belief that a successful urban center must have a mix of uses in its buildings, this does not seem to be the case in Davis Square. In fact, as can be seen in Figures 1-4, few of the buildings have residential units above the ground-level businesses. In some cases, as shown in Figure 2, the buildings are only a single level, while in others, the above floors house office space or other businesses. One Davis Square, the building shown in Figure 4, has a CVS in the bottom floor, a Boston Sports Club on the second floor, while the third floor appears to be vacant office space. This fact is likely mitigated by two major factors, one being that the surrounding area is a dense residential neighborhood and the other being the presence of the Red Line transit station.
Despite the large variation in building age and size, one aspect that does remain somewhat uniform is the width of the storefronts. In most cases, they appear to be approximately 20 feet wide except in cases where the building is on a street corner, or otherwise unique streetscape. This design feature appears to be violated in at least some of the newer buildings, many of which have a single anchor tenant such as the Citizen’s Bank building and the CVS which occupies the entire ground floor as shown in Figure 4.

If we treat the prevalence of chain retailers as our dependent variable, we can make some general observations. The age of the structure appears to be the single largest factor in attracting chain retailers. Similarly, virtually none of the buildings which housed chain retailers/restaurants also had residential units above the storefronts, though this was sometimes the case in older structures as well. The width of the storefronts while mostly consistent, but sometimes variable, did not seem to be a determinant of chain vs. independent businesses. While many of the chain retailers did occupy larger than average storefronts, many did not, and many independent retailers utilized the larger storefronts in older buildings as well.

**Station Landing – Medford, MA**

Station Landing is a new transit-oriented development located in Medford, Massachusetts adjacent to the MBTA’s Wellington Orange Line station and maintenance complex. It is also at the intersection of two major regional thoroughfares, the Revere Beach Parkway, and the
Fellsway. Its history is a stark contrast to that of Davis Square. Though it lies adjacent to a major north-south rail line, it is not, nor has ever been, a focal point of the transit network. The land on which the development sits is a former industrial site, and the adjacent lands remain primarily industrial or commercial, with few residential neighborhoods. The Revere Beach Parkway and the Fellsway, each 6-lane highways, are the primary means of accessing the area. This geography and history makes Station Landing a different case study than Davis Square. The development itself was constructed by a single developer during the late 2000s and covers roughly six city blocks. The primary use is residential apartments and condominiums with retail, business, office and parking as secondary uses in most buildings. Like Davis Square, access to transit is an important component of Station Landing, though unlike Davis Square, the rail station is somewhat far removed from the center of the development. Passengers traveling by foot between the station and Station Landing must traverse a long overhead walkway, and parking garage before reaching the development’s urban streetscape.

The photographic analysis reveals several characteristics about Station Landing that further differentiates it from Davis Square. The most important of these characteristics is the age of the structures. Station Landing was constructed on a former brown-field over a span of fewer
than 5 years. The result of this is that there is no variation in building age, or condition. All of the structures are in new or like-new condition.

The uses present in the buildings at Station Landing are, in some regards, quite diverse. While the primary use is residential, most residential structures contain retail space on the ground floor. Some structures, such as a parking garage, and another containing a Boston Sports Club, have no residential space. The parking garage, while not typically a hallmark of new-urban developments, may be the result of a simple reality that the development is somewhat isolated from adjoining parts of Medford. However, similar to Davis Square, the physical size and structure of storefronts are relatively uniform, approximately 20-feet across with see-through windows. Larger businesses such as the Boston Sports Club and a Walgreens occupy multiple storefronts or have altered the building front entirely to accommodate their larger footprint.

Drawing a relationship from these variables to the mix of businesses present at Station Landing, there appears to be a lack of independent or “mom-and-pop” businesses. Chain retailers seem to occupy all of the available commercial space. Figure 7, which shows the entry sign along Revere Beach Parkway, gives a sense of the business mix present at Station Landing. However, beyond the issue of ownership, the mix of business types is only partially diverse.
While nearly half of the businesses are restaurants and eateries, the remainder offer a range of services from tax consulting and hair salons, to a mattress and bedding store.

**Interviews**

A primary source interview was conducted with Christine Cousineau, a lecturer at Tufts University in the department of Urban and Environmental Policy and Planning. Christine is also a practicing planner, having worked at the design firm Goody Clancy and currently employed as a campus planner for Harvard University. Christine answered several questions regarding the process of developing a new urban village and what attracts certain businesses to a particular space.

Christine noted that there is a critical mass of housing units that are typically required to support a “Main Street.” This is typically around 1000 units of housing, though other factors such as demographics, and adjacent land uses can alter this number. She pointed out an unsuccessful example, Harbor Point in Boston, where despite having 1,200 units of housing, the development was unable to support even a small convenience store and pizza shop, and suggests that the proximity of a community college created an atypical demographic and living pattern. Additionally, Christine points out that many developers must initially subsidize businesses in the period of time where the residential units have been built but are not yet occupied.

She also notes that developers must often be strategic in the types of businesses they attract in order for the development as a whole to be successful. In the case of station landing Christine states, “there was a conscious decision to have lots of restaurants due to the island nature and accessibility by highway. This was successful.” Often times clustering of uses can attract more customers, especially those which are likely to return in the future. Similarly, as in a
suburban development, the presence of a large anchor business can also benefit the development as a whole. She notes that the developer, National Development, had to lobby Boston Sports Club to Station Landing, a decision which was ultimately successful to Boston Sports Club and the adjacent businesses.

Asked why new developments such as Station Landing seem to attract chain retailers almost exclusively, Christine offered several reasons. The biggest of these is that unlike a traditional neighborhood such as Davis Square, the developer owns all of the retail space. These developers almost always have pre-existing relationships not only with certain chain retailers, but with marketing and retail consultants which match particular retailers and restaurants with new development. At least at the outset, this makes it far more difficult for a startup or independent business to secure space in a new development. The chain retailers and restaurants bring with them a level of certainty of performance which is attractive to developers. The combination of these pre-existing relationships and performance guarantees, as well as the name recognition of chain retailers benefits both parties, the retailers which often get a favorable lease rate, and the developer which is more assured of a successful retail tenant.

Finally, Christine was asked whether as developments such as Station Landing mature, the mix of businesses is likely to diversify further or remain roughly the same. She indicated that it was highly dependent on what other developments and neighborhoods are nearby. Ultimately, the developer has control of guiding the image of the development over time. If the development is successful and becomes a destination, they will have more freedom to tailor that image to suit the market as well as their own vision for the project. A less successful development may be forced to compete with surrounding neighborhoods and developments. It may diversify simply because it must attract retailers which would otherwise be risky investments.
Conclusion

We have shown through photographic analysis and interviews that the business mix of a new urban village is considerably different than that of a mature neighborhood. The photographic analysis revealed that characteristics such as the age of a structure have a considerable impact on the tenants which are likely to be found there. While the secondary uses of buildings often varied between the mature neighborhoods and new developments, this alone did not appear to affect the types of businesses present. We found through the interview that ownership of the buildings or development as a whole plays an influential role in which businesses are encouraged or favored in the leasing process and that the singular ownership of a new urban development will have wide ranging effects to the diversity of retailers, restaurants and other services.

Finally, it appears somewhat uncertain whether these newer developments will ever be able to mature in the same manner as a place like Davis Square. Unless the buildings and streets are ultimately sold piece-meal to local owners, the developer, not the community will ultimately craft the long term vision of a place like Station Landing. How this will affect the true diversity of businesses may depend on the demographic and ethnicity of the people who visit station landing in the coming decades. It will depend on whether they view such a development as a place to live, work, and play, or as simply a destination for a single one of those purposes.
Sources


Gaber, John and Sharon Gaber. 2007. Qualitative analysis for planning & policy: Beyond the numbers. Chicago: APA Planners Press.